

Upstakes

Funding Agreement

This Funding Agreement (the "Agreement") is entered into on [DD/MM/YYYY] by and between:

Upstakes s.r.o.

registered office at Klimentská 2066/19, Nové Město, Praha 1, 110 00 Praha, Czech republic

ID No.: 23365480

registered in the Commercial Register maintained by the Municipal Court in Prague, Section C 425958

(Hereinafter referred to as the "**Upstakes**")

and

Player:

Full Name: [_____]

Screen Name(s): [_____]

Country of Residence: [_____]

Legal Address: [_____]

(Hereinafter referred to as the "**Player**")

Recitals

WHEREAS, Upstakes operates a skill-based poker analytics and funding platform and provides a qualification assessment known as the *Challenge*, designed to evaluate a player's decision-making skills against Game Theory Optimal principles;

WHEREAS, the Player has voluntarily participated in the Challenge, has successfully achieved the required accuracy score, and has thereby demonstrated the requisite level of skill and performance demanded by Upstakes;

NOW, THEREFORE, in consideration of the foregoing and the mutual promises contained in this Agreement, the Parties agree as follows:

1. Definitions

For the purposes of this Agreement, the following definitions shall apply:

- a) Funding means the provision of funds by Upstakes to the Player for participation in pre-approved poker tournaments.
- b) Profits means total gross cashouts including but not limited to bounties, bonuses, and rakeback, minus total buy-ins, entry fees, and applicable rake.
- c) Make-Up means the cumulative net losses resulting from tournaments played with Upstakes funds, tracked for the purpose of calculating net Profits available for distribution. Make-Up is carried forward and offset against future Profits prior to any distribution. Any outstanding Make-Up balance constitutes a debt owed by the Player to Upstakes only where the Player is in breach of their obligations under this Agreement, or where the Player unilaterally terminates this Agreement while an outstanding Make-Up balance exists; in all other circumstances, the Make-Up balance shall be extinguished upon termination of this Agreement without any repayment obligation on the Player.
- d) ABI (Average Buy-In) means the average monetary amount per tournament as approved in writing and in advance by Upstakes.
- e) Funded Bankroll means the pool of funds allocated by Upstakes to the Player under this Agreement, which shall remain the sole property of Upstakes until distributed as Profits.
- f) Tranche means each instalment of the total Funding, disbursed progressively by Upstakes subject to compliance with this Agreement.
- g) Challenge refers to the Upstakes qualification assessment successfully completed by the Player.

2. Purpose

2.1 The purpose of this Agreement is to formalize the funding relationship, under which Upstakes will fund the Player in poker tournaments based on their successful completion of the Upstakes qualification challenge.

2.2 The Parties expressly acknowledge that Funding does not constitute gambling, prize winnings, or any form of consumer lottery within the meaning of Czech Act No. 186/2016 Coll., on Gambling, nor within the meaning of any comparable legislation.

2.3 The Parties agree that this Agreement constitutes a sui generis commercial cooperation contract. It is not, and shall not be construed as, an employment contract, a partnership, an agency agreement, or a consumer contract.

2.4 The Player participates in poker tournaments as an independent party, bearing all legal and tax responsibilities in connection with their activities. Nothing herein shall create any fiduciary duties by Upstakes to the Player, save for the obligations expressly provided.

2.5 The Parties further acknowledge that the offer of Funding is made exclusively at the discretion of Upstakes, contingent upon successful completion of the Upstakes qualification challenge.

3. Funding Terms

3.1 Funding Amount and Tranches. Upstakes shall provide the Player with Upstakes funds in an amount equal to fifty (50) times the Player's Challenge entry fee. The Funding shall be disbursed in four (4) equal Tranches, each subject to Upstakes' ongoing approval, performance review, and compliance monitoring. For the avoidance of doubt, since the Player's Challenge entry fee amounted to EUR [__], the total Funding provided under this Agreement shall be EUR [__].

3.2 Ownership of Funds. All Upstakes funds remain at all times the exclusive property of Upstakes until such time as they are distributed as Profits in accordance with Section 4 hereof. The Player holds such funds in trust-like capacity and is strictly prohibited from mixing them with personal or third-party funds.

3.3 Use of Funds. The Player shall use Upstakes funds exclusively for entering tournaments expressly pre-approved in writing by Upstakes. Any unauthorized use of Upstakes funds shall constitute misappropriation and a material breach of this Agreement.

3.4 Tournament Volume & ABI. Unless otherwise approved in writing by Upstakes, the Player shall participate in a minimum of one hundred (100) tournaments per calendar month and shall maintain the agreed ABI. The Player shall maintain the Average Buy-In (ABI) approved by Upstakes and shall not, without prior written consent of Upstakes, enter tournaments that would cause the Player's ABI to exceed the approved limit.

3.5 Non-approved formats. Cash games, or any non-approved formats are strictly prohibited unless explicitly approved in writing by Upstakes.

3.6 Audit Rights. Upstakes may, at any time upon twenty-four (24) hours' written notice, require the Player to provide full and accurate records of all tournaments, including but not limited to hand histories, cashier balances, payment account statements, and screenshots. Failure to provide such information shall constitute a material breach of this Agreement.

4. Profit Allocation

4.1 Profit Split. Net Profits, as defined in Section 1.2, shall be divided equally, fifty percent (50%) to Upstakes and fifty percent (50%) to the Player.

4.2 Distribution Mechanism. Profit distributions shall be made within seven (7) business days of a valid request by the Player, provided that all Make-Up has first been fully cleared.

4.3 Automatic Distribution. If there is any accumulated undistributed Profit, Upstakes may, at its sole discretion and without prior request from the Player, unilaterally initiate a distribution of such Profit in accordance with this Section.

4.4 Revolving Funding. Upon distribution of Profits to either Party, this funding arrangement shall automatically reset and continue under the same terms and conditions set forth in this Agreement. In particular:

- a) The Player shall regain access to the full funding amount originally allocated under Section 3.1, regardless of prior results or interim distributions;
- b) All fundamental principles of this Agreement, including but not limited to the tranche structure, the Average Buy-In requirements, the tracking and repayment of Make-Up, and all performance and reporting obligations of the Player, shall remain in full force and effect without interruption; and
- c) This revolving mechanism shall continue to operate indefinitely until this Agreement is duly terminated by either Party in accordance with Section 9.

4.5 Tax Obligations. The Player is solely responsible for complying with all tax reporting and payment obligations arising from their share of Profits in their country of residence. Upstakes shall bear no responsibility for the Player's tax obligations. The Player agrees to indemnify and hold harmless Upstakes from any claims or liabilities arising from the Player's failure to comply with applicable tax laws.

5. Make-Up

5.1 As stated above, Make-Up means the cumulative net losses resulting from tournaments played with Upstakes funds, tracked for the purpose of calculating net Profits available for distribution. Make-Up is carried forward and offset against future Profits prior to any distribution. No repayment obligation arises from a Make-Up balance alone. A repayment obligation arises only in respect of an outstanding Make-Up balance where the Player has breached their obligations under this Agreement, or unilaterally terminates this Agreement while such an outstanding Make-Up balance exists.

5.2 Legal Nature. The Parties expressly agree that Make-Up does not, in and of itself, constitute a debt owed by the Player to Upstakes. An outstanding Make-Up balance shall only become a recoverable debt if the Player has breached any of their obligations under this Agreement, or unilaterally terminates this Agreement while having an outstanding Make-Up balance. The Player shall not be entitled to any distribution of Profits until the Make-Up balance has been fully offset against Profits. Where the Player fulfils all obligations under this Agreement and the

Funded Bankroll is exhausted through ordinary tournament play, no debt or repayment obligation in respect of the Make-Up balance shall arise.

5.3 Outstanding Make-Up upon Termination. If this Agreement is terminated while the Player has an outstanding Make-Up balance, the following shall apply depending on the circumstances of termination:

(a) Termination due to Player's breach or voluntary termination by the Player.

Where the Agreement is terminated as a result of the Player's breach of any obligation under this Agreement, or where the Player unilaterally terminates this Agreement pursuant to Section 9.3 while there is an outstanding Make-Up balance, the outstanding Make-Up balance shall constitute a debt immediately due and payable. The Player must resolve such balance without delay by choosing one of the following methods:

- a) **Option 1 – Full Repayment.** The Player shall repay the full outstanding Make-Up balance to Upstakes, in EUR / USD / CZK, within five (5) calendar days of delivering or receiving a termination notice.
- b) **Option 2 – Settlement Proposal.** The Player may submit a written request for a settlement proposal to Upstakes. Upstakes may, at its sole and absolute discretion, decide whether to grant any form of settlement, including a discounted buyout, deferred repayment plan, or alternative resolution. Upstakes shall be under no obligation to accept the Player's request, to negotiate, or to provide any discount. Unless and until a written settlement agreement is signed by both Parties, the Player remains fully liable for the entire Make-Up balance.

(b) Termination by Upstakes without Player's breach / exhaustion of Funded Bankroll.

Where the Agreement is terminated by Upstakes for reasons other than the Player's breach – including where the Funded Bankroll has been exhausted through ordinary tournament play – the outstanding Make-Up balance shall be extinguished in full and the Player shall have no repayment obligation to Upstakes in respect thereof.

5.4 Default and Interest. If the Player fails to satisfy the Make-Up balance under either Option 1 or an agreed settlement under Option 2, the outstanding balance

shall accrue the statutory default interest rate under the Czech Civil Code until paid in full. Upstakes may pursue recovery of such amounts through legal proceedings without further notice.

Working Example: For clarification purposes only, the following example illustrates the operation of the Make-Up mechanism under Section 5 of this Agreement:

If the Player loses USD 1,200 in funded tournaments, a Make-Up balance of USD -1,200 is recorded. No profit distribution may occur until this balance is cleared.

If in the following period the Player generates net winnings of USD 2,000, the Make-Up balance of USD -1,200 is first deducted, leaving USD 800. Only this remaining amount is treated as net profit and shared equally, resulting in USD 400 payable to the Player and USD 400 to Upstakes. Once the Make-Up balance has been fully cleared, all subsequent net winnings are immediately subject to the standard 50/50 profit split.

This example is provided for illustration only and does not modify or limit the binding provisions of Section 5.

6. Bankroll & Reporting Obligations

6.1 Reporting Requirements. The Player must maintain an accurate and up-to-date a **real-time tracking sheet** (Google Sheet or equivalent, as approved by Upstakes) that includes:

- a) Tournament ID and Name
- b) Date of play
- c) Buy-In and Fees
- d) Poker platform
- e) Result (placement and winnings)
- f) Net Result (profit or loss)

This report must be updated **within 24 hours** after the end of each session.

6.2 Bankroll Transparency. The Player shall strictly separate Upstakes funds from personal or third-party funds. Where technical limitations make separation impossible, the Player must clearly and consistently tag all transactions relating to the Funded Bankroll. Upstakes shall have the right, at any time and upon request, to receive from the Player:

- a) screenshots of cashier balances or payment accounts,
- b) complete hand histories,
- c) tournament receipts and payment records, and
- d) any other relevant data reasonably required to verify compliance.

6.3 Failure to Report. If the Player fails to provide the required reporting for a period exceeding three (3) consecutive days, Upstakes may, at its sole discretion, suspend the Player's access to Upstakes funds, withhold any profit distributions, or terminate this Agreement with immediate effect.

7. Conduct, Integrity & Exclusivity

7.1 The Player agrees to:

- a) use all Upstakes funds exclusively for approved tournaments,
- b) refrain from ghosting, collusion, chip dumping, or any form of cheating or dishonest practices,
- c) not enter into any external funding agreements, nor play any poker tournaments (online or live) for their own funds or other parties during the term of this Agreement, unless explicitly approved in writing by Upstakes,
- d) follow the rules of each poker site/platform, and
- e) devote reasonable time and effort to fulfilling their obligations hereunder.

7.2 Violations of this section may result in:

- a) immediate termination of this Agreement,
- b) forfeiture of the Player's entitlement to any undistributed Profits, with the Player being obliged to remit one hundred percent (100%) of such Profits, including amounts already credited to Player's poker accounts or e-wallets, to Upstakes within five (5) business days of notice, and
- c) blacklisting (see Section 8).

8. Confidentiality & Blacklisting

8.1 The Player shall keep strictly confidential all terms of this Agreement and all information regarding:

- a) funding terms and profit splits,
- b) challenge design and scoring,
- c) Upstakes' internal strategies,
- d) any proprietary data provided,
- e) internal communications and strategy materials.

This obligation shall survive for five (5) years following termination of this Agreement.

8.2 In cases of verified misconduct, fraud, or material breach of this Agreement, Upstakes may:

- a) add the Player to the Upstakes blacklist,
- b) share such listing with partners and trusted third parties in the poker funding ecosystem.

Public listing (e.g., blacklisting) of personal data will only occur if permitted by law and justified by a legitimate interest or legal obligation. The Player has the right to contest such inclusion by written notice.

The Player has the unqualified right to contest such inclusion by written notice, which must include the specific reasons relating to their particular situation. Upstakes shall then be obliged to assess whether its compelling legitimate interests override the rights and freedoms of the Player, and will communicate a reasoned decision to the Player.

9. Term & Termination

9.1 Term. This Agreement shall commence on the date of signature by both Parties and shall remain in force until:

- a) all Funding Tranches have been fully disbursed and completed and all balances, including any Make-Up, have been fully settled; or
- b) termination occurs earlier in accordance with this Section 9.

9.2 Termination by Upstakes. Upstakes may terminate this Agreement with immediate effect, upon the occurrence of any of the following events:

- a) breach of tournament volume requirements, funding rules, or tranche conditions;
- b) failure to comply with reporting or bankroll transparency obligations under Section 6;
- c) breach of conduct or exclusivity obligations under Section 7;
- d) fraud, dishonesty, or misappropriation of funds;
- e) any other material breach of this Agreement.

9.3 Termination by the Player. The Player may terminate this Agreement only by giving not less than five (5) business days' written notice to Upstakes. Any outstanding Make-Up balance at the time of such notice shall constitute a debt immediately due and payable, and the Player must resolve it in accordance with Section 5.3(a) before termination becomes effective

9.4 Effect of Termination. Upon termination for any reason:

- a) the Player shall immediately cease using all Upstakes funds and return any unspent portion of the Funded bankroll to Upstakes;
- b) any outstanding Make-Up shall become immediately due and payable where termination occurs pursuant to Section 5.3(a) (i.e., termination by or at the initiative of the Player, or termination resulting from the Player's breach); where Section 5.3(b) applies, the Make-Up balance shall be extinguished without any repayment obligation;
- c) the Player shall, within five (5) business days, provide final reporting of all tournaments played up to the termination date, including supporting records and cashier balances; and

- d) all confidentiality, data protection, and liability provisions of this Agreement shall survive termination.

10. Legal Terms

10.1 This Agreement shall be governed by the laws of the Czech Republic, without regard to conflict of laws principles.

10.2 Any dispute arising out of this Agreement shall be resolved through binding arbitration conducted in Czech or English language under the rules of the Czech Arbitration Court. The decision of the arbitrator shall be final and binding.

11. Data Protection & GDPR Compliance

Upstakes processes the Player's personal data (e.g., name, alias, platform IDs, results, communications) for the purposes of administering this Agreement, performance tracking, and fraud prevention.

Processing is based on:

- a) **contractual necessity** (Article 6(1)(b) GDPR),
- b) and **legitimate interest** (Article 6(1)(f) GDPR).

The Player acknowledges that their data may be stored for up to 3 years post-termination. The Player has the right to access, rectify, or erase their data, and to object to its processing. Requests can be sent to support@upstakes.io.

12. Final provisions

12.1 Severability. If any provision of this Agreement is held invalid or unenforceable, the remainder shall continue in full force and effect.

12.2 Force Majeure. Neither party shall be liable for failure to perform under this Agreement if such failure is due to causes beyond reasonable control, including legal bans, war, natural disasters, or systemic platform outages.

12.3 Entire Agreement. This Agreement constitutes the entire understanding between the Parties and supersedes any prior agreements, whether oral or written, regarding the subject matter herein.

12.4 Amendments. This Agreement may only be amended in writing signed by both Parties.

12.5 Assignment. Upstakes may assign or transfer its rights and obligations under this Agreement to any third party without Player's consent. The Player may not assign this Agreement without prior written approval of Upstakes.

13. Signatures

By signing below, both parties agree to the terms and conditions of this Funding Agreement.

Upstakes Representative

Name:

Position:

Signature:

Date:

Player

Full Legal Name:

Poker Alias:

Signature:

Date: